## ೧೯೮೯ನೇ ಇಸವಿಯ ಕರ್ನಾಟಕ ಪ್ರದೇಶದೊಳಗೆ ಬಳಕೆ, ಉಪಯೋಗ ಅಥವಾ ಮಾರಾಟ ತೆರಿಗೆ (ತಿದ್ದುಪಡಿ) ವಿಧೇಯಕ

### ಮಂಡನೆಗೆ ಅನುಮತಿ ಕೋರಿಕೆ

ಪ್ರೊ॥ ಎ. ಲಕ್ಷ್ಮೀಸಾಗರ್ (ಕಾನೂನು ಹಾಗೂ ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳ ಸಚಿವರು) (ಮಾಧ್ಯಮ ಮಂತ್ರಿಗಳ ಪರವಾಗಿ).—ಮಾನ್ಯ ಅಧ್ಯಕ್ಷರೆ, ೧೯೮೯ನೇ ಇಸವಿಯ ಕರ್ನಾಟಕ ಪ್ರದೇಶದೊಳಗೆ ಬಳಕೆ, ಉಪಯೋಗ ಅಥವಾ ಮಾರಾಟ ತೆರಿಗೆ (ತಿದ್ದುಪಡಿ) ವಿಧೇಯಕವನ್ನು ಸಭೆಯ ಮುಂದೆ ಮಂಡಿಸಲು, ತಮ್ಮ ಅನುಮತಿ ಕೋರುತ್ತೇನೆ.

ಅಧ್ಯಕ್ಷರು,—ಪ್ರಸ್ತಾವ ಏನೆಂದರೆ, ೧೯೮೯ನೇ ಇಸವಿಯ ಕರ್ನಾಟಕ ಪ್ರದೇಶದೊಳಗೆ ಬಳಕೆ, ಉಪಯೋಗ ಅಥವಾ ಮಾರಾಟ ತೆರಿಗೆ (ತಿದ್ದುಪಡಿ) ವಿಧೇಯಕವನ್ನು ಮಂಡಿಸಲು ಅನುಮತಿ ನೀಡುವುದು.

ಪ್ರಸ್ತಾಪ ಅಂಗೀಕರಿಸಲ್ಪಟ್ಟಿತು ಮತ್ತು ಅನುಮತಿ ನೀಡಲಾಯಿತು.

ಪ್ರೊ॥ ಎ. ಲಕ್ಷ್ಮೀಸಾಗರ್ (ಕಾನೂನು ಹಾಗೂ ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳ ಸಚಿವರು).—ಮಾನ್ಯ ಅಧ್ಯಕ್ಷರೆ, ೧೯೮೯ನೇ ಇಸವಿಯ ಕರ್ನಾಟಕ ಪ್ರದೇಶದೊಳಗೆ ಬಳಕೆ, ಉಪಯೋಗ ಅಥವಾ ಮಾರಾಟ ತೆರಿಗೆ (ತಿದ್ದುಪಡಿ) ವಿಧೇಯಕವನ್ನು ಸಭೆಯ ಮುಂದೆ ಮಂಡಿಸುತ್ತೇನೆ.

ಅಧ್ಯಕ್ಷರು.—ವಿಧೇಯಕವನ್ನು ಮಂಡಿಸಲಾಗಿದೆ.

# KARNATAKA LEGISLATIVE ASSEMBLY

## (Adjourned Meetings)

## THE KARNATAKA TAX ON ENTRY OF GOODS INTO LOCAL AREAS FOS CONSUMPTION, USE OR SALE THEREIN (AMENDMFNT) BILL, 1989.

(L.A. Bill No. 7 of 1989)

A Bill further to amend the Karnataka Tax on Entry of Goods into Local Areas for Consumption, Use or Sale Therein Act, 1979.

Whereas it is expedient further to amend the Karnataka Tax on Entry of Goods into Local Areas for Consumption, Use or Sale Therein Act. 1979 (Karnataka Act 27 of 1979), for the purposes hereinafter appearing :

Be it enacted by the Karnataka State Legislature in the Fortieth Year of the Republic of India as follows:—

1, *Short title and commencement* :—(1) This Act may be called the Karnataka Tax on Entry of Goods into Local Areas for Consumption, Use or Sale Therein (Amendment) Act, 1989.

(2) it shall come into fore on First day of April 1989.

2. *Amendment of section* 2.—In section 2 of the Karnataka Tax on Entry of Goods Into local Areas for Consumption, Use or Saie Therein Act, 1979 (Karnataka Act 27 of 1979), (hereinafter referred to as the Principal Act) for clause 8(a), the following shall be deemed to have been substituted with effect from the first day of April 1983, namely:—

" 8(a) " Works Contract " means any agreement for carrying out for cash, deferred payment or other valuable consideration, the construction, fitting out, imrovement or repair of any building, road, bridge or any other immovable property or manufacture, processing, fabrication, erection, installation, fitting out, improvement, modification, repair conversion of commissioning of any movable property "

3. *Insertion of new section 3AA.*—After section 3A of the principal Act, following shall be inserted, namely:—

" *3AA. Collection of tax by Central Government or State Government.* —Notwithstanding anything contained in this Act, the Central Government or the State Government shall be entitled to collect by

way of tax any amount which a registered dealer would be entitled to collect by way of tax under this Act ".

4. *Insertion of new section 3C.*—After section 3B of the principal Act, the following shall be inserted, namely:—

" *3C. Liability to taxation of goods sold to manufacturing units.—(1)* Notwithstanding anything contained in section 3 on tax shall be payable by a dealer in respect of Entry of scheduled goods specified In entry 16B of the schedule to the Act, if such goods are sold to a manufacturing unit whose total turnover in a year under the Karnataka Sales Tax Act. 1957 is less than rupees ten lakhs.

(2) The provisions of sub-section (1), shall not apply unless the dealer selling the goods furnishes to the assessing authority in the prescribed manner a declaration by the manufacturing unit buying the goods in the prescrided form obtained from the prescribed authority.

(3) If the declaration furnished by the manufacturing unit buying the goods is found to be incorrect. the assessing authority after giving such unit a reasonable opportunity of being heard, shall, by order in writing, impose upon it by way of penalty a sum which shall not be less than the amount of tax leviable under section 3 of the entry of such goods' but which shall not exceed double the amount of such tax."

5. *Amendment of section 4.*—In section 4 of the principal Act, after sub-section (2), including the proviso, the following shall be inserted, namely :—

"(2A): Nothhing contained in this section, shail apply to the Central Government or any State Government ".

6. *Amendment of section 14.*—In section 14 of the principal Act, after sub-section (2), the following shall be inserted, namely :—

" (2A) The officer authorised under sub-section (1) or the person against whom an appeal has been preferred, as the case may be, on receipt of notice that an appeal against the order of the Assistant Commissioner or the Deputy Commissioner has been preferred under sub-section (1) by the other party, may, notwithstanding that he has not appealed against such order or any part thereof, file within thirty days of the receipt of the notice, a memorandum of cross objections, verified in the prescribed manner, against any part of the order of the Assistant Commissioner or the Deputy Commissioner as the case may be, and such memorandum shall be disposed of by the Appellate Tribunal as if it were an appeal presented within the time specified in sub-section (1)",

7. *Amendment of section 18.*—In section 18 of the principal Act,—

(i) after sub-section (2) and before the proviso, following proviso shall be inserted, namely ;—

" Provided that no residential accommodation (not being a place of business-*cum*-residence) shall be entered into and searched by such officer except on the authority of a searched by warrant issued by a Magistrate having jurisdiction over the area and all searches under this section shall, so far as may be, be made in accordance with the provisions of the Code of Criminal Procedure, 1973 (Central Act 2 of 1974) " ;

(ii) in the existing proviso, after the word " provided " the word " further " shall be inserted,

9. *Amendment of Schedule.*—In the schedule to the Principal Act,—

(1) in sub-item (i) of item 16-A, the words "wrapping paper" shall be omitted ;

(2) in explanation-I to item 16-B for the words figures and brackets "which falls within the definition of a factory under the factories Act, 1948 (Central Act No. LXIII of 1948)" the words, figures and brackets, "whose total turnover in a year under the Karnataka Sales Tax Act, 1957 is not less than rupees ten lakhs" shall be substituted ;

(3) (i) in explanation-II to item 16B after the words " including cotton both ginned and unginned ", the words "cereals pulses, oil seeds including copra and cotton seed " shall be deemed to have been inserted with effect from the first day of April, 1983;

(ii) In explanation-II to item 16B so amended, after the words " Electrical goods ", the following shall be deemed to have been inserted with effect from the twenty-seventh day of November, 1984, namely.—

" (i) pig iron and cast iron including ingots, moulds, bottom plates, Iron scrap, cast Iron scrap, runner scrap and Iron skull scrap ;

(ii) steel semis (ingots, slabs, blooms and billets of all qualities, shapes and sizes):

(iii) skelp bars, tin bars, sheet bars, hoe bars and sleeper bars :

(iv) steel bars (rounds, rods, squares, flats, octogone and hexogones, plain and ribbed or twisted in coil from as well as straight lengths) ;

(v) steel structurals (anglies, joints, channels, tees, sheet, piling section, Z sections or any other rolled sections) ;

(vi) sheets, hoops, strips and skelp, both black and galvanised hot and cold rolled, plain and corrugated, in all qualities in straight lengths and in coil form as rolled and in revetend condition :

(vii) plates both plain and chequered in all qualities;

(viii) discs, rings, forgings and stell castings:

(xi) tool, alloy and special steels of any of the above categories:

(x) steel melting scrap in all forms including steel skull turnings and borings :

(xi) steel tubes, both welded and seamless, of all diameters and lengths including tube fittings ;

(xii) tin plates, both hot dipped and electrolytic and tinfree plates :

(xiii) fish plate bars, bearing plate bars, crossing sleeper bars, fish plates, bearing plates, crossing sleepers and processed steel sleeper, rails, heavy and light crane rail :

(xiv) Wheels, tyres, axles and wheel sets :

(xv) wire rods and wires-rolled, drawn, galvanised aluminised tinned or coated such as by copper :

(xvi) defectives reiects, cuttings or end pieces of any of the above categories.'' :

(iii) after explanation II, the following explanation shall be inserted, namely.—

''*Explanation III*—' Industrial Machinery ' for the purpose of entry 7 of the Schedule shall mean such machinary which are generally used by an industrial unit whether or not such unit is a factory as defined under the Factories Act, 1948, for manufacturing or processing of goods and includes earth moving machinary and such other machinery used for mining, building, construction (including laying of roads), fabrication, erection, installation, fitting out, improvement, modification, repair or commissioning of any movable or immovable property,''

'' I hereby certify that this Bill is a money Bill within the meaning of Article 199 of the constitution of India.
Dated :

Speaker ''.

## STATEMENT OF OBJECTS AND REASONS

(As appended to at the time of introduction of the Bill)

To give effect to the proposals made in the Budget speech. it is considered necessary to amend the Karnataka Tax on Entry of Goods into Local Areas for Consumption, Use of Sale Therein Act. 1979.

Opportunity is also taken to rationalise certain provisions of the said Act.

Hence the Bill.

## FINANCIAL MEMORANDUM

There is no extra expenditure involved by this Amendment.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 4.—sub (2) of section 3C proposed to be inserted by this Clause. empowers the Government to prescribe the authority, from and the manner in which a declaration by the manufacturing unit buying the goods has to be furnished to the assessing Authority by the dealer selling the goods.

The delegation of this legislative power is of normal charactor.

S. R. Bommai.
Chief Minister.
M. INNASAPPA.
Secretary.

## ANNEXURE

Extract from the Karnataka Tax on Entry of Goods into Local Areas for Consumption, use or Sale Therein Act, 1979.

xxx xxx xxx xxx

**2. Definitions.**—in this Act, unless the context otherwise requires,

(1) xxx xxx xxx

(8) (a) "works contract" means any agreement for carrying out for cash or for deferred payment or other valuable consideration, the construction, fitting out, improvement or repair of any building, road, bridge or other immovable property or the fitting out, improvement or repair of any movable Property.

xxx xxx xxx xxx

**4. Registration of dealers.**—

(1) xxx xxx xxx

(2) Registration under sub-section (1) may be made in such manner and on payment of such fees and for such period as may be prescribed :

Provided that if the dealer is already registered under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957); no registration or renewal fee shall be payable under this Act,

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**14. Appeal to the Appellate Tribunal.**—

(1) xxx xxx xxx

preferred after the period of sixty days referred to in sub-section (1) if it is satisfied that the appellant had sufficient cause for not preferring the appeal within that period.

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**18. Power to order production of accounts and powers of entry, inspection and seizure.**

(1)

(2) If any such officer has reason to suspect that any dealer is attempting to evade the payment of any tax, fee or other amount due from him under this Act, he may, for reasons to be recorded in writing, seize such accounts, registers, records or other documents of the dealer as he may consider necessary, and shall give the dealer a receipt for the same. The accounts, register, records and documents so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceeding under this Act ;

Provided that such accounts, registers, records and documents shall not be retained for more than sixty days at a time except with the permission of the next higher authority.

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SCHEDULE

[ (See Section 2 (7) ]

XXX XXX XXX XXX

16-A. Packing materials, namely :—

(i) wrapping paper, fibre board cases, paper boxes, folding cartons, paper bags, carrier bags and board boxes, corrugated board boxes, and the like ;

XXX XXX XXX XXX

16-B. All raw materials, component parts and inputs which are use in the manufacture of an intermediate or finished product,—

(i) when brought into local areas by an industrial unit ; or

(ii) when brought into local areas by any dealer who, after having so brought, sells or supplies the same to an industrial unit located either within the same local area or outside it.

**Explanation** I.—The words 'industrial Unit' mean a manufacturing unit which fails within the definition of a 'factory' under the Factories Act, 1948 (Central Act No. LXIII of 1948), but excludes,—(i) Handicrafts Manufacturing Units (ii) Handloom Weaving Units and (iii) any other group or class of industries which may with reference to their nature, competitiveness· employment potential or such other factors, be notified by the State Government·

**Explanation II**.—The wonds raw materials, component parts and inputs' do not include agricultural produce including cotton both ginned and un-ginned, horticultural produce, timber or wooo of any species, silk cocoons, raw, thrown or twisted silk tobaccd (whether raw or cured), cement, paper, electrical goods or such other inputs as may be notified by the State Government for purposes of exemption from tax under item 16-B from time to time, but include aiuminium ingots and ores of all kinds.

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